



Press Release

Local packaging plant, technology centre and filling machine assembly

SIG Combibloc Asia: Plenty of potential for the future – concentrated expertise for small package sizes

August 2008. SIG Combibloc Asia has created an unrivalled success story. The company now has a presence covering virtually all of South-East Asia, including Taiwan and Korea. A look at the growth of the company and the flourishing market shows that the region still offers plenty of future potential.

SIG Combibloc has been active in Asia since 1981. At that time, the biggest and most promising markets for aseptic carton packaging were Taiwan, Korea and Thailand and it was in Taiwan that SIG Combibloc achieved its first significant market success with the major customer 'Sunkey'. To provide its customers with the best locally-based service, SIG Combibloc opened a sales office in Taipei in 1992. Sales figures grew steadily. In 1994 SIG Combibloc Taiwan sold around 750 million carton packs.

In Thailand, too, SIG Combibloc won a major client in the early 1990s – Lactasoy, one of the country's largest soy drinks manufacturers. Furthermore, in 1995 a collaboration with I.P. Manufacturing set the course. At that time, most fruit juices in carton packs were imported to Thailand. With the help of SIG Combibloc, I.P. Manufacturing set out to become the first fruit juice manufacturer to fill its products locally under Ivy brand. This joint project proved a success for both parties and shortly after this SIG Combibloc won more new customers who have started to use filling machines from SIG Combibloc.

Today SIG Combibloc is represented throughout Asia with sales offices in Ho Chi Minh City, Jakarta, Taipei, Seoul and Bangkok and a local packaging plant in Rayong.

Ten years of local packaging production in Rayong

To benefit from the potential of the Asian market, SIG Combibloc decided to build up a local packaging plant in Thailand. It enabled the company to guarantee shorter delivery times and respond even more flexibly to customer needs. In 1996 the foundation stone for the packaging plant was laid in the Eastern Seaboard Industrial Estate (Rayong province) with operations beginning in October 1997. Initially the plant produced combibloc *Standard*, combibloc *Compact* and combibloc *Small*. But with small package sizes being particularly popular in Asia the facility has also been manufacturing combibloc *Mini* since 2003. Today the plant's annual capacity stands at around five billion carton sleeves.

SIG Combibloc's main operations in Asia cover Thailand, Taiwan, Korea, Indonesia and Vietnam. Thailand is the biggest market for the company's products, while Vietnam and Indonesia are up-and-coming markets with high rates of growth. The company's major clients in the Asia region now include Swire Coca-Cola, T-Grand, Royal Friesland Foods, Lactasoy, Hanmi, Sahmyook, Sunkey, Seoul Dairy Co-operative, Pasteur, Ampol Food, Chen Kou Wei Food, Hey Song, Ultrajaya, Tai Hwa Oil Industry, M&S, Thai Agri Foods, Thai-Danish Dairy Farm and Tipco.

combiLab – development for the future

SIG Combibloc has now added to the range of services it offers the Asian market with its combiLab in Rayong. At this centre, established for product research and development, product innovations are the primary focus. All phases of the development process are covered – from creating new product recipes all the way to test fillings and market research. High and low acid products can be prepared and filled on the combiLab equipment; highly viscous foods and products containing chunky particulates can also be developed and processed on the filling machines from SIG Combibloc.

The combiLab boasts chemistry and microbiology laboratories, a UHT test facility and aseptic filling machines; so the filling procedure can be included as part of the process of developing a new product. With combiLab SIG Combibloc offers customers the opportunity to trial product concepts and test new formulations,

helping to close the gap between development in a laboratory and subsequent manufacture on an industrial scale. Products created in the combiLab can then be used for market research or taste panels if required.

Current trials at combiLab involve the filling and marketing of RTD tea with Nata de Coco, RTD tea with basil seeds, drinking yoghurt containing fruit segments and a fruit juice drink containing pieces of Aloe Vera.

Partnership through local presence

For more than 30 years SIG Combibloc has been assembling its filling machines exclusively in Neuss (Germany). To keep up with growing demand in the booming Asia region the company started to assemble aseptic filling machines in Thailand in 2008. Matthias Enste, Director Marketing and Business Development at SIG Combibloc Asia, says: “More than 80 per cent of the new single-serve filling machines we install are at the premises of our Asian customers. Given the continuing stable growth in the region, the logical next step was to assemble the filling machines in Asia”. At SIG Combibloc’s Centre for Applied Technologies (CAT) in Rayong, the CFA 112 and CFA 712 models are now assembled primarily for Asian customers.

Klaus Andresen, Technical Director and Director of CAT, says: “A vast amount of SIG Combibloc’s growth is happening in Asia. The CAT, where our existing filler models are being assembled, is now also responsible for application development – one of its current projects, for instance, is a modified sleeve-feeding system”.

With this investment in expanding capacity in the Asia region, SIG Combibloc is also proactively investing in innovation. Andresen: “By having a local organisation responsible for application development in Asia, we are ensuring our machines continue to be of the accustomed quality, while we benefit from Asian expertise. It puts us in the competitive position of being able to combine the existing knowledge bases in Asia and Europe and take advantage of this synergy. This integration brings an added value from which, in the long term, our Asian and non-Asian customers will benefit”.

Asia is the world’s leading market for single-serve formats, so SIG Combibloc is planning to set up a ‘Centre of Expertise’ for small packaging sizes in the region.

Andresen: “This will expand our range of services. We are closer to our customers there, and we will be able to work more intensively at combining comprehensive

technical expertise with modern design options for small carton sizes. This will deepen the synergies between SIG Combibloc and our customers, developing genuine strategic partnerships and long-lasting win-win relationships for all parties involved”.

Caption 1:

SIG Combibloc has been active in Asia since 1981. To benefit from the potential of the Asian market, SIG Combibloc decided to build up a local packaging plant in Thailand. It enabled the company to guarantee shorter delivery times and respond even more flexibly to customer needs. The opening ceremony of the local packaging plant in Rayong was celebrated in 1998.

Photo: SIG Combibloc

Caption 2:

In Asia, small package sizes are particularly popular. Today the annual capacity of the local packaging production plant of SIG Combibloc in Rayong stands at around five billion carton sleeves.

Photo: SIG Combibloc

SIG Combibloc is one of the world's leading system suppliers of carton packaging and filling machines for beverages and food. In 2007 the company achieved a turnover of 1,235 million Euro with around 4,000 employees in 40 countries. SIG Combibloc belongs to SIG Holding AG in Switzerland, which is part of the New Zealand based Rank Group.

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